

## Message Text

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ACTION ARA-10

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C O N F I D E N T I A L TEGUCIGALPA 1339

E.O. 11652: GDS

TAGS: EAGR, ELAB, HO

SUBJECT: CONVERSATION WITH SITRATERCO SECGEN OBDULIO CACERES

REF: TEGUCIGALPA 1118

BEGIN SUMMARY: OBDULIO CACERES, SECRETARY GENERAL OF SITRATERCO (UNION OF UNITED BRANDS WORKERS) CALLED ON LABOFF APRIL 4. CACERES SAID THAT UNITED BRANDS WORKERS REMAIN SUSPENDED PENDING LABOR MINISTRY ACTION ON THE COMPANY REQUEST FOR A 120 DAY EXTENSION OF ORIGINAL 120 DAY SUSPENSION RESULTING FROM HURRICANE FIFI. SUTRAFSCO PRESIDENT NAPOLEON ACEVEDO AND TWO OTHER UNION BOARD MEMBERS MAY LOSE THEIR POSITIONS BECAUSE OF STANDARD FRUIT'S DISMISSAL OF ISLETAS AREA WORKERS. CACERES SAYS THAT COMPANY LAND ORIGINALLY OFFERED FOR SALE TO SITRATERCO CANNOT BE SOLD BECAUSE OF PROVISIONS IN AGRARIAN REFORM LAW AND IS NOW BEING OFFERED TO THE GOH. CACRES SAYS THAT TRADE UNION POSITION OF SUPPORT FOR GOH ON AGRARIAN REFORM HAS BEEN A GREAT ERROR. HE CONCLUDED CONVERSATION SAYING THAT HIS POLITICAL POSITION CONTINUED TO BE STRONG IN SITRATERCO AND THAT HE STILL EXPECTED TO BE ELECTED TO PRESIDENCY AT NEXT AUGUST'S CONGRESS. END SUMMARY.

1. SITRATERCO (UNITED BRANDS WORKERS UNION) SECGEN

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OBDULIO CACERES CALLED ON LABOFF APRIL 4. HE SAID THAT

THERE CONTINUES TO BE NO RESOLUTION OF THE PROBLEM CREATED BY UNITED BRANDS' PETITION TO RENEW THE ORIGINAL 120 DAY WORK SUSPENSION GRANTED BY THE LABOR MINISTRY FOLLOWING HURRICANE FIFI. SITRATERCO HAS ONCE AGAIN SUBMITTED A FORMAL REVIEW OF ITS POSITION TO THE MINISTRY. CACERES BELIEVES THAT LABMIN FONSECA MAY BE DELIBERATELY SLOWING THE PROCESS TO AVOID DENYING THE COMPANY REQUEST.

2. CACERES SAID THAT "LEFTIST" DELEGATES AT LAST WEEK'S SPECIAL CONGRESS HELD BY SUTRAFSCO HAD PLANNED TO PUSH THROUGH A RESOLUTION CALLING FOR A STRIKE AGAINST THE COMPANY'S REMAINING OPERATIONS. CTH SEC GEN VICTOR ARTILES (WHO COMES FROM SUTRAFSCO) SUCCESSFULLY USED HIS INFLUENCE AMONG THE DELEGATES TO ENCOURAGE A MORE MODERATE RESOLUTION.

3. ALSO CONCERNING SUTRAFSCO, CACERES SAID THAT UNION PRESIDENT NAPOLEON ACEVEDO AND TWO "LEFTIST" MEMBERS OF THE UNION'S EXECUTIVE COUNCIL (BANNEGAS AND ZELAYA) WERE ALL EMPLOYEES FROM THE ISLETAS AREA FARMS. ACCORDING TO THE HONDURAN LABOR LAW FOR AN INDIVIDUAL TO BE AN OFFICER OF A UNION HE MUST BE A UNION MEMBER. SECONDLY, TO BE A UNION MEMBER, ONE MUST BE A COMPANY EMPLOYEE. THIRDLY, UNION OFFICERS MUST BE THE LAST EMPLOYEES FIRED IN A GENERAL DISMISSAL. THEREFORE, WHEN THE STANDARD FRUIT CLOSE DOWN OF THE ISELETAS AREA FARMS IS COMPLETE, THESE THREE MEN WILL BE DISMISSED AND LOSE THEIR STATUS AS COMPANY EMPLOYEES NECESSARY TO QUALIFY THEMSELVES AS UNION OFFICERS. CACERES SAID THAT STANDARD HAS ALREADY INFORMED THE THREE THAT THEIR SEVERANCE PAYCHECKS ARE READY AT THE COMPANY OFFICES. CACERES SAID THAT THE COMPANY COULD HAVE TRANSFERRED THE THREE TO AN OPERATING SECTION OF THE COMPANY BUT HAD NOT DONE SO FOR OBVIOUS REASON.

4. IT IS OBVIOUS THAT ACEVEDO AND THE OTHERS WILL NOT ACCEPT THE CHECKS UNTIL NECESSARY, FOR TO DO SO WOULD IMMEDIATELY SEVER THEIR COMPANY EMPLOYMENT. CACERES IS DELIGHTED ABOUT THIS DEVELOPMENT. THE FORMER DEMOCRATICALLY ORIENTED OFFICERS REPLACED IN JUNE 1973 AND LATER EXPELLED FROM THE UNION HAVE BEEN FIGHTING THEIR EXPULSION

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IN THE LABOR COURTS. AL OF THESE MEN ARE EMPLOYED IN PARTS OF THE COMPANY THAT WILL REMAIN IN PRODUCTION AND WILL THEREBY REMAIN ELIGIBLE TO HOLD UNION OFFICE IF THEY SUCCESSFULLY FIGHT THEIR EXPULSION. CACERES SAID THAT SITRATERCO INTENDS TO SECRETLY PROVIDE FINANCIAL HELP TO THIS GROUP AND IS OPTIMISTIC THAT SUTRAFSCO'S NEW LEADERSHIP TO BE ELECTED NEXT JULY WILL BE DEMOCRATICALLY ORIENTED.

5. WHEN ASKED ABOUT THE NEGOTIATIONS BETWEEN SITRATERCO AND UNITED BRANDS ON THE UNION PURCHASE OF THE EL PROGRESO AREA FARMS, CACERES SAID THAT THE UNION HAS CONCLUDED THAT THE SALE IS ILLEGAL UNDER THE TERMS OF THE RECENT GOH AGRARIAN REFORM LAW. HE STATED THAT THE COMPANY HAS NOW OFFERED THE SAME LAND FOR SALE TO THE GOH AND THAT SITRATERCO PLANS TO APPROACH THE GOVERNMENT TO DISCUSS ACQUISITION OF THE LAND THROUGH A GOH PURCHASE. CACERES' DISAPPOINTMENT ON THIS POINT LED HIM TO COMMENT THAT HE VIEWED THE WHOLE HISTORY OF LABOR SUPPORT OF THE GOH ON THE AGRARIAN REFORM QUESTION AS A MONUMENTAL ERROR. HE ADDED THAT WHEN THE EMPRESAS ASOCIATIVAS (COOPERATIVE ENTERPRISES) CALLED FOR BY THE LAW ARE REALIZED, ANACH WILL DIE.

6 COMMENT: CACERES' COMMENT ON LABORS' ERRORS WAS ACCOMPANIED BY A VAGUE RAMBLING DISCOURSE ABOUT HOW HE WOULD RATHER SEE US STYLE AGRICULTURE ESTABLISHED IN HONDURAS SINCE AGRARIAN REFORM HAS WORKED IN NO COUNTRY WHERE IT HAS BEEN ATTEMPTED. HE WAS OBVIOUSLY EXHAUSTED AND THOROUGHLY DISCOURAGED ON THE AGRARIAN REFORM QUESTION. IT WAS ALSO APPARENT THAT HE COULD OFFER NO CONCRETE ALTERNATIVES TO THE GOH PROGRAM AND THAT LABOR HAS NO COORDINATED PROGRAM IN MIND TO BRING TO BEAR ON THE GOVERNMENT IN ORDER TO PROTECT ITS INTERESTS.  
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